



Fiscal stress review

Cortland Enlarged City School District

SCHOOL DISTRICTS IN FISCAL STRESS

Significant Fiscal Stress

Fort Edward	Norwich
Northern Adirondack	Wyandanch

Moderate Fiscal Stress

Cortland	Hempstead
Eldred	New Suffolk
Wantagh	

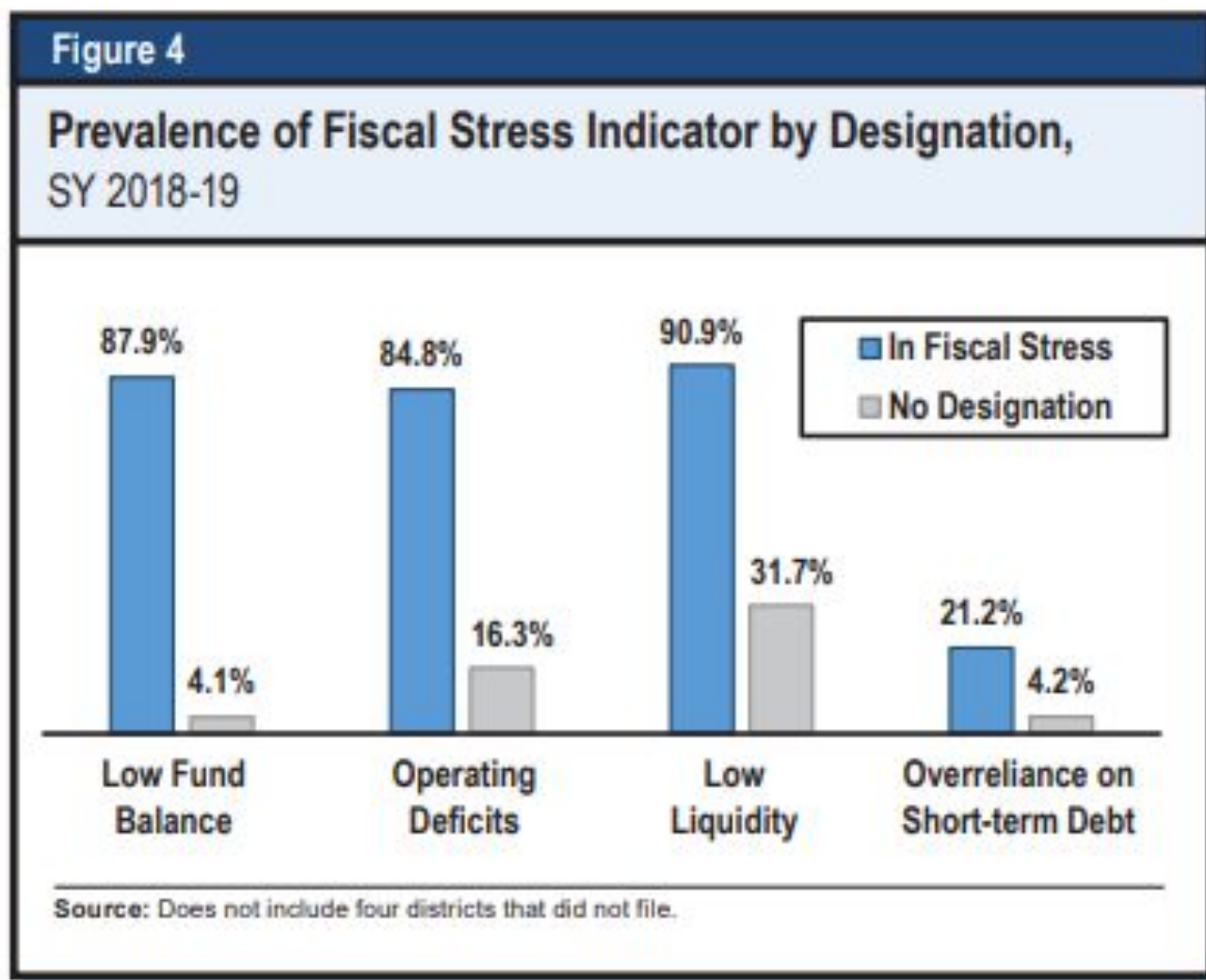
Susceptible to Fiscal Stress

Albany	Dolgeville	Mount Vernon
Ausable Valley	East Ramapo	Oxford Academy
Canton	Fishers Island	Pavilion
Cheektowaga	Frewsburg	Rensselaer
Clymer	Harrisville	Roosevelt
Cohoes	Hudson Falls	Sauquoit Valley
Copiague	Marathon	Schenevus
Deer Park	Marcellus	Weedsport

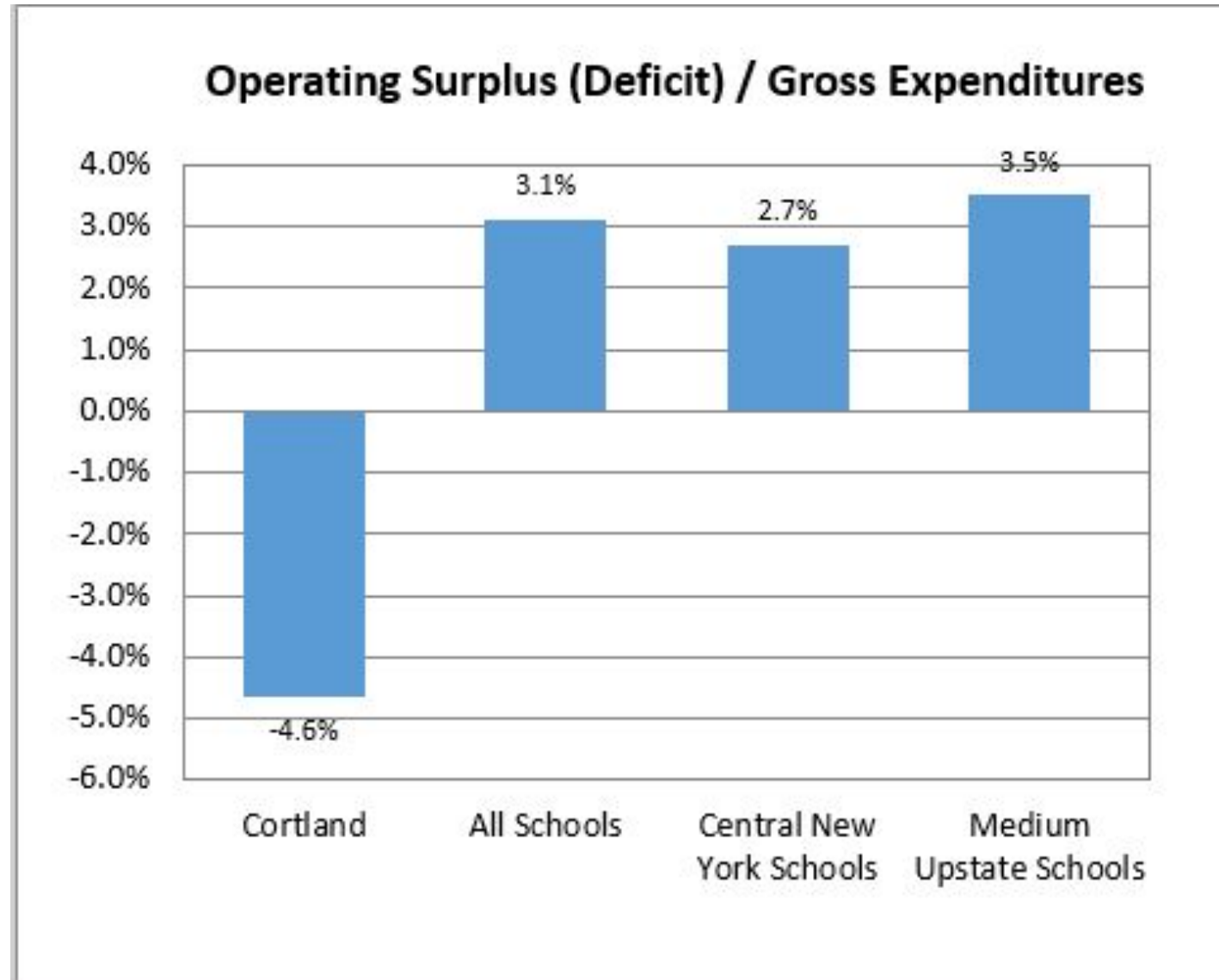
Common Themes

Figure 4 shows which indicators were most commonly found among school districts in stress. All stressed districts scored poorly on multiple indicators.

- Nearly 88 percent of the districts in stress had low fund balances and 85 percent had chronic operating deficits.
- Over 90 percent of stressed districts had low liquidity, also known as “weak cash position.” This indicates that there may not be enough cash on hand to cover operating costs.
- Over one-fifth of stressed districts have an increased reliance on short-term borrowing for cash flow purposes.



2018-19 Fiscal Stress



Budget 2020-21

Cortland Enlarged City School District

Budget changes for 2020-21

• Instructional Salaries	589,000
• Support staff Salaries	134,000
• Charter School	65,000
• Workers Compensation premium	57,000
• FICA	55,000
• BOCES other than Occupational Ed	866,232
• Debt - Capital and Buses	303,000

Regional Aid Increases

Talking: ASBO New York

Region	Total Aid Increase (%)	Share of Total Aid Increase	Foundation Aid Increase (%)	Foundation Aid Increase per Pupil	Foundation Aid Funded	Foundation Aid Still Due per Pupil
Capital District	1.7%	3.9%	2.1%	\$128	82%	\$1,264
Central New York	3.7%	8.7%	2.1%	\$179	87%	\$1,265
Finger Lakes	2.0%	6.9%	2.7%	\$218	85%	\$1,459
Hudson Valley	2.1%	9.5%	3.0%	\$145	74%	\$1,716
Long Island	2.3%	13.3%	2.8%	\$135	70%	\$2,099
Mohawk Valley	2.7%	3.9%	2.3%	\$204	87%	\$1,292
New York City	2.0%	38.7%	2.8%	\$221	91%	\$837
North Country	1.9%	2.7%	3.1%	\$305	91%	\$964
Southern Tier	2.5%	5.3%	2.1%	\$187	90%	\$955

Workers' compensation

- We are part of the OCM consortium
- This is a group of school districts coming together to obtain better pricing due to economies of scale
- Premium is impacted by our experience rating increase of \$60,000

Employer retirement contribution

- NYS Teacher Retirement System (TRS) 9.25%-10.25%
- NYS Employee Retirement System (ERS) 14.6%
- The district is billed by TRS & ERS
- Retirees receive their retirement check from NYS
- Retirees receive a defined benefit based on items such as years of service & age at retirement
- The employer contribution rate is adjusted annually and does not affect employees pension amount

Health insurance

- Anticipated premium increase of 7%
- Concessions have been paired with salary increases to help contain costs during recent contract settlements
- Legacy costs are part of our contractual obligations
- 96.5 cents for every dollar spent is on paid claims

Remaining benefits

- FICA 7.65% of payroll
- Unemployment expense is based on actual claims
- “Other benefits” allows us to comply with other contractual obligations that are anticipated but not yet known
 - Retirement incentives
 - Sick leave accruals at retirement

Debt

- Highly aided category
- This includes capital projects that are financed
- Vehicles purchased that are financed
- Aid is generated on the cost of the work and on the cost of the vehicles used to transport students
- Fiscal Advisors assist us with stabilizing the “local share”

2020-21 Budget reductions

- Occupational Education BOCES - 210,000
- Health Insurance - 75,000
- Staff reductions - 150,000
- Other benefits - 265,589

This is what we know as of January 2020. Staff reductions include all benefits and salary.

State Aid 2020-21 Executive proposal

State Aid	2019-20	2020-21	Chage
	March 2020	Proposed	19-20 to 20-21
Foundation Aid	21,112,679	24,144,776	+224,054
Community Schools	147,875	147,875	0
Expense Driven Aid			
Building Aid	3,371,901	3,614,867	+242,966
Transportation	1,435,524	1,446,452	+10,928
BOCES	2,630,372	2,572,899	-57,473
High Excess	757,675	910,139	+152,464
Private Excess	179,861	261,373	+81,512
Software, Library, Textbook	196,558	189,707	-6,851
Hardware & Technology	47,164	45,437	-1,727
State Aid Revenue	29,483,625	30,525,482	+ 645,873

Balancing the budget

	2015-16	2016-17	2017-18	2018-19	2019-20	Rollover with 1% tax levy increase
Budgeted expenses	\$49,576,887	\$49,576,887	\$49,576,887	\$49,576,887	\$49,576,887	\$49,576,887
Revenues	\$44,076,887	\$45,100,176	\$46,723,745	\$47,201,000	\$48,312,716	\$48,940,551
Budget Gap	\$5,500,000	\$4,476,711	\$2,853,142	\$2,375,887	\$1,264,171	\$636,336
Appropriated fund balance	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	
Reserves	\$5,000,000	\$3,976,711	\$2,353,142	\$1,875,887	\$764,171	
Change in budget	0	0	0	0	0	

Next steps

- Determine expenses and revenues
- Some retirements remain unknown
- Cabinet will continue to review staffing information as it becomes available